

THE HONOURABLE SHANE THOMPSON
MINISTER OF MUNICIPAL AND COMMUNITY AFFAIRS

Municipal Infrastructure Gap

Mr. Speaker, I have a Return to Written Question asked by the Member for Yellowknife North on February 9, 2023 regarding the municipal infrastructure gap.

The methodology for calculating funding gap estimates was developed in 2014, during the Department of Municipal and Community Affairs', or MACA's, Municipal Funding Review. During that review, community level detail was shared for information purposes only and to provide councils awareness for their budgeting and future programming decisions. At the time, there was very little information on the cost of piped infrastructure, solid waste sites and roads. Because these are significant assets to municipal governments, these assets were included but as estimates only.

For 2022, MACA estimates that there is a territorial municipal funding gap of approximately \$40 million, of which an \$23 million is related to capital, \$10 million to general operations and maintenance, and \$7 million to water and waste services. The gap is based on an estimated total of \$3 billion in community government assets. While these values are an aggregate of community level data, MACA is not comfortable providing the data at an individual community level because the assumptions and estimates are applied broadly and cause the data at a community level to be less precise.

As part of its current review of the community government funding policies, MACA is reviewing various calculation methods and making recommendations. This work is being undertaken with an Advisory Group comprised of members from the Northwest

Territories Association of Communities and the Local Government Administrators of the Northwest Territories.

The department anticipates having updated community level detail available after the Advisory Group has made recommendations. Municipal and Community Affairs remains committed to updating the community government funding policies and anticipates this work to be completed this spring. Costing estimates, community level details and an approach for regular community government updates will be provided with the updated policies.

Thank you, Mr. Speaker.